

**GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA**

UNSTARRED QUESTION NO:407

ANSWERED ON:27.07.2006

GUIDELINES/ RULES ON MERGER /TAKEOVER OF AIRLINES

Thakkar Smt. Jayaben B.

Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether the Government has framed any guidelines/rules regarding transfer of airport infrastructure in case of merger or takeover of airlines; and

(b) if so, the details thereof?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF CIVIL AVIATION (SHRI PRAFUL PATEL)

(a): Yes, Sir

(b): The M/o Civil Aviation has formulated and published the Policy to be followed regarding use of airport infrastructure in case of merger/take over of airlines and sale/transfer of aircraft. The salient features of the same are as under:

The airlines that takes over the aircraft pursuant to merger/take over or sale / transfer of the aircraft will be allowed usage right over airport infrastructure like parking bays, landing slots etc., which are allotted by Airport Operator without any payment, subject to the following conditions:

(i) Only the user rights over such infrastructure that are given to an airline on non-payment basis e.g. parking bays, landing slots etc. may be allowed to be used by the airline that takes over the aircraft. For all other rights, the terms of lease/ sale agreement between the airport operator and the airline may apply.

(ii) The ownership over such infrastructure would continue to vest with Government/ airport operator and therefore, cannot be transferred by one airline to the other airlines in any event.

(iii) User rights may be allowed to be used by the airline that takes over the aircraft only in respect of those rights, which are actually under use by the airline that transfers the aircraft. All other rights will be taken over by the Government/airport operator.

(iv) The user rights will be available with the airline that takes over the aircraft only till such time that the infrastructure concerned is under actual use. If the airlines that takes over the aircraft does not use the concerned infrastructure, it will lose the user rights over the infrastructure.